

Poor roads and highways reduce business expansion

In a recent survey, business owners identified the top two factors most likely to negatively affect their companies’ retention/expansion plans as:

- 1. Condition of the local road system
- 2. Condition of the Interstate highway system

Transportation investments improve Idaho’s roads and highways—they also strengthen Idaho businesses.

Possible Solutions  
Potential Funding Options

- **Vehicle Registrations**  
Each \$10 increase generates \$12 million
- **Fuel Tax**  
Each penny increase generates \$9 million
- **ITD Fees** (Driver’s licenses, titles, driver records, etc.)  
Each 10% increase generates \$1.7 million
- **Permit Fees**  
Each 10% increase generates \$0.3 million

Results are estimated

How can transportation investments help a rapidly growing state like Idaho?

Numerous U.S. and international studies demonstrate that transportation investments generate significant measurable benefits to national and regional economies. Transportation investments:

- Save lives
- Boost industry competitiveness and productivity
- Strengthen local and regional economies
- Increase sales tax revenue
- Enhance tourism
- Reduce congestion
- Improve and shorten trucking routes
- Create jobs



The bottom line

- As roads and bridges continue to deteriorate, so does the safety of the traveling public
- Idaho is growing fast, but the growth is not solving our revenue issues.
- The transportation department’s revenue is flat, but costs and demands are soaring.
- The transportation department is having to put less money than is needed toward Idaho’s deteriorating but heavily used transportation system.

It’s clear that the future of Idaho’s transportation system is at a critical juncture. The ability to travel to and from work, the delivery of freight and farm products, and the scenic drives to Idaho’s world-renowned mountains, lakes, and ski resorts all rely on an efficient transportation system.

Failing to meet transportation needs will threaten our ability to compete in the marketplace, damage our economy, and jeopardize jobs and our quality of life.

Transportation funding issues are a nationwide problem

It’s important to know that Idaho’s transportation funding difficulties are not unique. Almost every state in the nation is searching for ways to raise enough money to meet their increasing transportation needs, and to care for their largest asset—the transportation infrastructure that connects their economies with the rest of the world.

Join the statewide effort to improve our transportation system

Are you concerned about the safety and condition of Idaho’s roads? Our highways are in desperate need of repair and improvement.

Governor C.L “Butch” Otter and the Idaho Transportation Board invite you to hear a short presentation about the condition of Idaho’s highway system and the \$240 million needed per year to maintain and improve Idaho’s roadways. Please join us and share your concerns on this important issue.

A public meeting will be held at the locations below from 4 p.m. to 7 p.m.

Conference Dates and Locations

- **July 14**      Caldwell, The College of Idaho, Simplot Dining Hall
- **July 16**      Coeur d’Alene, Best Western Coeur d’Alene Inn
- **July 17**      Lewiston, Red Lion Hotel
- **July 22**      Idaho Falls, The Shilo Inn Suites Hotel
- **July 23**      Pocatello, Red Lion Hotel
- **August 5**    Twin Falls, Red Lion Hotel Canyon Springs

Other meetings scheduled as part of the conference include mayors and city council members, county and highway district commissioners, chambers of commerce, industry leaders, and legislators.

itd.idaho.gov

For more information, please contact:  
**Jeff Stratten**  
Manager, Office of Communications  
comments@itd.idaho.gov  
Idaho Transportation Department  
P.O. Box 7129  
Boise, ID 83707-1129  
(208) 334-8005



IDAHO’S  
**Transportation  
Funding  
CONFERENCE**  
Building Roads. Building Bridges. Building Consensus.



# The Challenge

## Idaho’s transportation funding is at a critical level

We are rapidly approaching a time when the department will no longer be able to fund basic transportation needs. The Idaho Transportation Board has determined that Idaho needs a minimum of \$240 million in additional funding each year to address the state’s increasing transportation funding backlog.

Without an increase in transportation funding in the next three years, the Idaho Transportation Department will no longer be able to:

- Improve safety—the department’s highest priority
- Fund pothole patching and snowplowing
- Provide matching funds to obtain the federal dollars used for most of Idaho’s highway projects

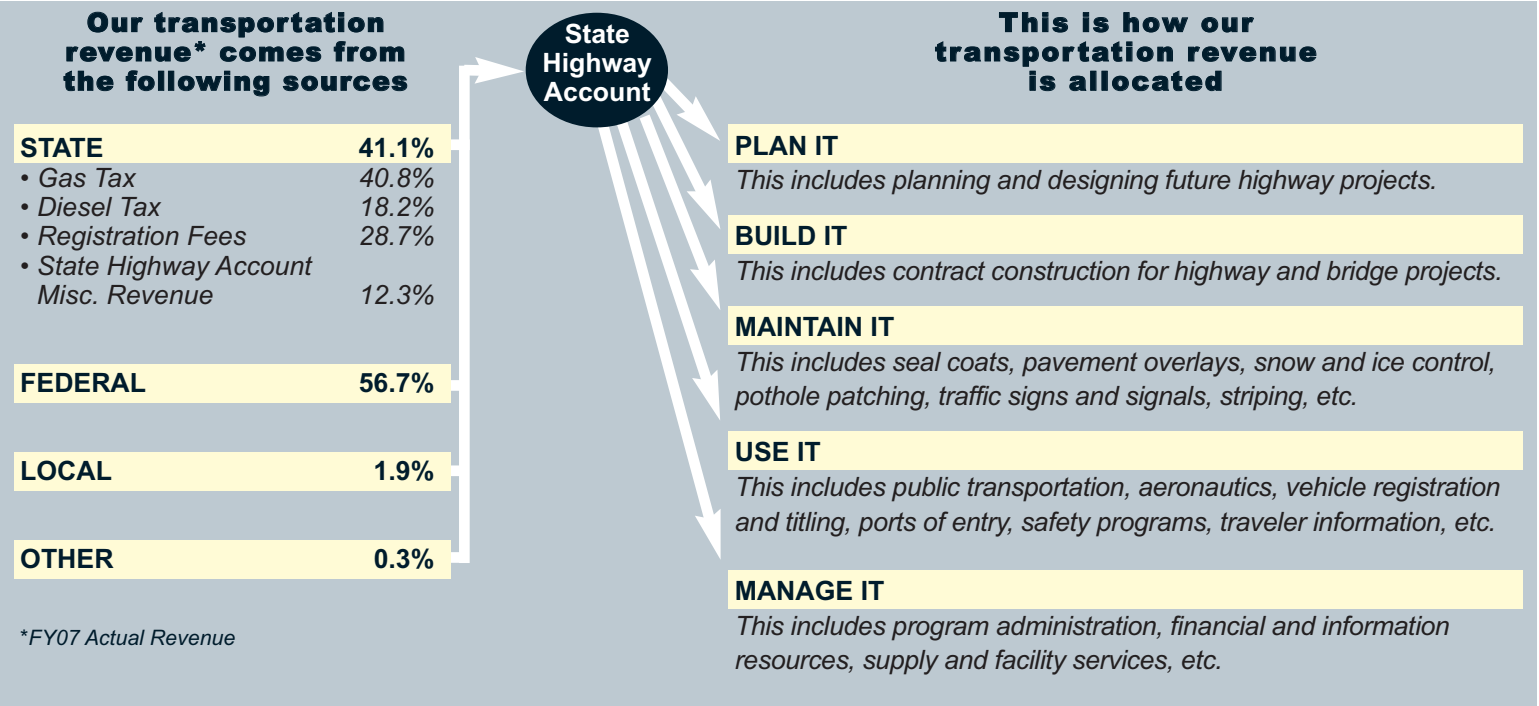
## Roads and bridges are aging

- One out of every five miles of state highway pavement is deficient
- Bridges are designed with an approximate 50-year life span. About 50% of Idaho’s bridges will be 50 years or older within the next 10 years.
- These bridges will require increased funding for maintenance, rehabilitation, reconstruction, and replacement.



## Construction costs are soaring

The National Construction Cost Index (CCI) has increased over 69% between 1997 and 2006. The cost of construction materials such as asphalt, concrete, and steel continue to rise sharply.

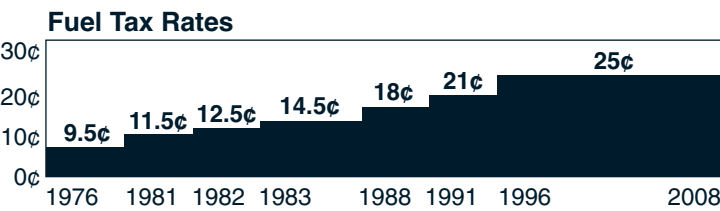


# Funding Sources

## What are Idaho’s fuel tax rates?

- Federal (since 1993)..... 18.4¢ per gallon
- Idaho (since 1996)..... 25.0¢ per gallon

The chart below shows a steady increase in Idaho fuel tax rates from 1976 through 1996, the year the fuel tax was last increased.



## What are Idaho’s vehicle registration rates?

- Idaho registration rates rank 30th in the nation\* and haven’t been raised since 1997:
- One- to two-year-old vehicles ..... \$48
  - Three- to six-year-old vehicles ..... \$36
  - Vehicles older than six years..... \$24

\*Based on each state’s most populous county. Ada County adds \$23.83 in county, mailing, and plate fees to the state reg. fee.

## What are the sources of local transportation funds?

- Local fees and taxes ..... 49%
- State revenue ..... 44%
- Federal revenue ..... 7%

## How is the funding distributed?

For every \$50 an Idaho motorist spends on gas, Idaho roads and bridges receive only \$3.00, which is distributed as follows:

- Idaho State Police ..... \$0.15
- Local roads and bridges..... \$1.14
- State roads and bridges..... \$1.71

## The danger of relying on federal funds

Idaho receives 64% more than it pays into the Federal Highway Trust Fund. Idaho’s federal money will likely be reduced as donor states compete for additional revenue. Without a revenue increase, Idaho will soon run out of money to match federal highway funds.

# Our Transportation Needs are Growing

## Idaho is on the move

- Fourth fastest growing state..... Idaho
- Additional increase in Idaho’s population by the year 2030 ..... 58%
- Increase in miles driven annually in Idaho since 1978 ..... 99%

## How large is Idaho’s highway system?

- State bridges ..... 1,761
  - Local bridges..... 2,330
  - State highway lane miles\* ..... 11,877
  - Local agency lane miles\* ..... 67,870
- \*One mile of 4-lane road = 4 lane miles.

## Why is rapid growth not solving Idaho’s revenue problem?

- Drivers are buying vehicles that are increasingly more fuel-efficient causing a decrease in fuel tax dollars collected.
- Average fuel efficiency has increased from 13.8 mpg in 1978 to 23 mpg in 2006.
- The most popular car in Idaho, the Toyota Camry, gets approximately 30 to 34 mpg.

## Poor transportation systems cost us all

- 252 people were killed on Idaho highways in 2007.
- Congestion increases travel times and wastes fuel.
- Rough roads and bridges increase the wear and tear on tires and vehicles.
- As fuel costs, travel times, and wear and tear on trucks increase, so do the prices of products.

These additional costs are paid by the traveling public in two ways:

- Higher fuel and vehicle-maintenance expenses
- Higher retail prices on all consumer goods.